

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF NORTH CAROLINA  
CHARLOTTE DIVISION**

In re:	)	
	)	Chapter 11 (Joint Administration)
SD-Charlotte, LLC, <i>et al.</i> , <sup>1</sup>	)	
	)	Case No. 20-30149
Debtors.	)	
	)	
	)	

**SECOND SUPPLEMENTAL NOTICE OF ASSUMPTION AND ASSIGNMENT**

**PLEASE TAKE NOTICE OF THE FOLLOWING:**

1. On March 6, 2020, the United States Bankruptcy Court for the Western District of North Carolina (the “Bankruptcy Court”) entered an order (the “Bidding Procedures Order”),<sup>2</sup> pursuant to sections 105(a), 363, 365, 503, 506 and 507 of title 11 of the United States Code (the “Bankruptcy Code”), rules 2002, 6004 and 6006 of the Federal Rules of Bankruptcy, in the chapter 11 cases of SD-Charlotte, LLC, RHTT Investments, LLC, SD Restaurant Group, LLC, SD-Missouri, LLC and Southern Deli Holdings, LLC (the “Debtors”) approving, among other things, the fixing of cure amounts (the “Cure Amounts”) related to the Debtors’ potential assumption, assignment and/or transfer of certain executory contracts, unexpired leases, and other agreements (the “Executory Contracts and Unexpired Leases”) listed on **Exhibit A** annexed hereto in connection with the sale (the “Sale”) of certain of the Debtor’s assets (the “Assets”). The Debtors may assume, assign, and/or transfer the Executory Contracts and Unexpired Leases to the Stalking Horse Bidder for the Assets under the bidding procedures (the “Bidding Procedures”) approved by the Bankruptcy Court and attached to the Bidding Procedures Order as Exhibit 1. A hearing to consider approval of the Sale of the Assets to the Stalking Horse Bidder free and clear of all liens, claims and encumbrances will be held before the Honorable Laura T. Beyer in the United States Bankruptcy Court for the Western District of North Carolina, 401 West Trade Street Charlotte, NC 28202 on **April 8, 2020 at 10:00 a.m. (EDT)**, or at such other time thereafter as counsel may be heard (the “Sale Hearing”).

2. On March 6, 2020, the Debtors filed and served the initial Notice of Assumption and Assignment on the parties on **Exhibit A** [Doc. No. 199] (the “Initial Notice”).

<sup>1</sup>The Debtors, together with the last four digits of each Debtor’s federal tax identification number, are: SD-Charlotte, LLC (7237); RHTT Investments, LLC (2540); SD Restaurant Group, LLC (0331); SD-Missouri, LLC (8294) and Southern Deli Holdings, LLC (9425).

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures Order.

3. On March 20, 2020, the Debtors filed and served the Supplemental Notice of Assumption and Assignment on the parties noted therein. [Doc. No. 233].

4. **You are receiving this second supplemental notice because you may be a counterparty to an Executory Contract or Unexpired Lease of the Debtors that potentially could be assumed and assigned to the Stalking Horse Bidder in connection with the Sale.**

5. Pursuant to the Bidding Procedures Order, the Debtors have the right to supplement or amend **Exhibit A** to the Initial Notice as the proposed Cure Amounts are reconciled or agreed with counterparties to an Executory Contract or Unexpired Lease. Attached hereto is the amended **Exhibit A** for certain reconciled or amended Executory Contracts or Unexpired Leases that have been amended. This second supplement notice shall be filed and served on all affected parties.

6. The Debtors' proposed Cure Amounts may not reflect negotiated settlements or payments made pursuant to first-day orders that would reduce the proposed Cure Amounts. The Debtors are in the process of reconciling these numbers and reserve the right to amend the proposed cure amounts at any time, before or after the Cure/Assignment Objection Deadline. If the Debtors determine that the proposed Cure Amounts set forth in **Exhibit A** include any amounts previously paid, the proposed Cure Amounts will be adjusted to eliminate such amounts and the Debtors will serve a further revised notice setting forth updated proposed Cure Amounts to the applicable counterparties as soon as reasonably practicable following the determination that an adjustment is required. In the event that the proposed Cure Amounts in **Exhibit A** are amended, the notice filed later in time shall govern and supersede the earlier notice with respect to such modified amounts.

7. Any objection (the "Stalking Horse Adequate Assurance Objection") concerning whether the Stalking Horse Bidder can provide adequate assurance of future performance as required by section 365 of the Bankruptcy Code must be in writing and set forth with specificity the nature of the objection. To be considered a timely Stalking Horse Adequate Assurance Objection, the Stalking Horse Adequate Assurance Objection must be filed with the Bankruptcy Court and served upon the Objection Notice Parties by no later than the later of (i) **April 6, 2020 at 4:00 p.m. (EDT)** and (ii) three business days prior to the Sale Hearing.

8. The Stalking Horse Bidder may determine to exclude any Executory Contract or Unexpired Lease from the list of Executory Contracts and Unexpired Leases proposed to be assumed and assigned under the Purchase Agreement or Stalking Horse Agreement through the Closing Date; provided, however, the non-Debtor party or parties to any such excluded contract or lease will be notified of such exclusion by written notice mailed within two (2) business days of such determination and the Debtors will file a notice of such determination with the Court.

9. The Debtors' decision to sell, assign and/or transfer to the Stalking Horse Bidder the Executory Contracts and Unexpired Leases is subject to Court approval and the

closing of the Sale. Accordingly, absent such closing, the Executory Contracts and Unexpired Leases shall not be deemed to be sold, assigned and/or transferred, and shall in all respects be subject to further administration under the Bankruptcy Code. The inclusion of any document on the list of Executory Contracts and Unexpired Leases shall not constitute or be deemed to be a determination or admission that such document is, in fact, an executory contract or unexpired lease within the meaning of the Bankruptcy Code (all rights with respect thereto being expressly reserved). Nor shall the inclusion of any document constitute an admission of liability by the Debtors or their estates.

Dated: April 6, 2020

**MOORE & VAN ALLEN PLLC**

/s/ Hillary B. Crabtree

Zachary H. Smith (NC Bar 48993)

Hillary B. Crabtree (NC Bar 26500)

James Langdon (NC Bar 23241)

Gabriel Mathless (NC Bar 48857)

Joanne Wu (NC Bar 55044)

100 N. Tryon Street, Suite 4700

Charlotte, NC 28202

Telephone: (704) 331-1000

Facsimile: (704) 339-5968

Email: zacharysmith@mvalaw.com

Email: hillarycrabtree@mvalaw.com

Email: jimlangdon@mvalaw.com

Email: gabemathless@mvalaw.com

Email: joannewu@mvalaw.com

*Counsel to the Debtors and Debtors-In-Possession*

**Exhibit A**  
**Executory Contracts and Unexpired Leases**  
**with Cure Amounts**

Debtor	Contract Counterparty	Description	Contract/Lease Title	Contract Date	Cure Amount	Amended Cure Amount	Second Amended Cure Amount
SD-Missouri, LLC	NADG NNN SDI-VIC (GA), LP	Leases for Real Property	Lease Agreement by and between NADG NNN SDI-VIC (GA), LP and Sd-Missouri, LLC dated May 23, 2018	5/23/2018	\$25,777.32	\$15,555.28	\$26,429.64
SD-Missouri, LLC	National Retail Properties, Inc.	Leases for Real Property	Master Unitary Lease by and between National Retail Properties, Inc. and SD-Missouri, LLC dated May 30, 2017.	5/30/2017	\$518,390.14	\$585,629.70	\$221,800.89
SD-Missouri, LLC	National Retail Properties, LP	Leases for Real Property	Master Unitary Lease by and between National Retail Properties, LP and SD-Missouri, LLC dated May 30, 2017.	5/30/2017			\$455,078.71
SD-Charlotte, LLC	Store Master Funding III, LLC	Leases for Real Property	Master Lease Agreement by and between Store Master Funding III, LLC and Boom Holdings, LLC dated February 27, 2013.	2/27/2013	\$10,768.35	\$146,418.19	\$158,032.89
SD-Missouri, LLC	Spirit Master Funding, LLC	Leases for Real Property	Rent Lease Agreement by and between Spirit Master Funding, LLC and SDI of Bristol, Tennessee, L.C. dated March 15, 1991 as amended March 15, 1996 and March 30, 2009.	3/30/2009	\$58,495.82	\$146,076.87	\$143,495.31
SD-Missouri, LLC	Spirit Master Funding, LLC	Leases for Real Property	Rent Lease Agreement by and between Spirit Master Funding, LLC and SDI of Christiansburg Virginia, L.C. dated November 1, 1994 as amended March 15, 1996 and March 30, 2009.	3/30/2009			
SD-Missouri, LLC	Spirit Master Funding, LLC	Leases for Real Property	Rent Lease Agreement by and between Spirit Master Funding, LLC and SDI of Elizabethton, Tennessee L.C. dated June 1, 1993 as amended March 15, 1996 and March 30, 2009	3/30/2009			
SD-Missouri, LLC	Spirit Master Funding, LLC	Leases for Real Property	Rent Lease Agreement by and between Spirit Master Funding, LLC and SDI of Knoxville, Tennessee (Broadway), L.C. dated March 24, 1995 as amended March 15, 1996 and March 30, 2009.	3/30/2009			
SD-Missouri, LLC	Spirit Master Funding, LLC	Leases for Real Property	Rent Lease Agreement by and between Spirit Master Funding, LLC and SDI of Paluski, Virginia, L.C. dated October 15, 1993 as amended March 15, 1996 and March 30, 2009	3/30/2009			
SD-Missouri, LLC	Spirit Master Funding, LLC	Leases for Real Property	Rent Lease Agreement by and between Spirit Master Funding, LLC and SDI of Radford, Virginia, L.C. dated November 1, 1995 as amended March 15, 1996 and March 30, 2009.	3/30/2009			
SD-Missouri, LLC	Spirit Master Funding, LLC	Leases for Real Property	Rent Lease Agreement by and between Spirit Master Funding, LLC and SDI of Wytheville, Virginia, L.C. dated June 21, 1995 as amended March 15, 1996 and March 30, 2009.	3/30/2009			
SD-Missouri, LLC	Spirit Master Funding, LLC	Leases for Real Property	Rent Lease Agreement (Kingsport, Tennessee) by and with Spirit Master Funding, LLC dated June 21, 1995 as amended March 15, 1996 and March 30, 2009.	3/30/2009			
SD-Missouri, LLC	Vasilio & Eleni Gatsios	Leases for Real Property	Lease Agreement by and between Vasilio & Eleni Gatsios and SD-Missouri, LLC dated May 29, 2018.	5/29/2018	\$13,552.00	\$8,177.93	\$13,623.09